

**Diabetic Supplies Dispensing Responsibility Is Transferred
From MI Medicaid Pharmacies to MI Medicaid Medical Suppliers
January 1, 2006**

MI Medicaid Pharmacies—

On January 1, 2006 Michigan Medicaid transferred responsibility for dispensing certain diabetic supplies from First Health's Providers to the Michigan Department of Community Health's Providers (See MSA Bulletin 05-65). First Health's Providers will continue to provide all other Medicaid pharmacy benefits. First Health Service Corporation is the Michigan Medicaid Pharmacy Benefits Manager. The Michigan Department of Community Health (MDCH) is responsible for managing the rest of the Michigan Medicaid Fee-For-Service Program including Medical Supplier services. The diabetic supplies listed in MSA Bulletin 05-65 are no longer a Medicaid pharmacy benefit and therefore must be billed as a Medicaid medical supply benefit through MDCH. A distinct difference between pharmacy and medical supplier billing procedures is that pharmacies use NDC codes to identify services and medical suppliers use HCPCS codes. Medical suppliers commonly dispense products like bandages, wheelchairs, nebulizers, etc. As the list of covered NDC codes for Pharmacies is available on the First Health website, a list of covered HCPCS codes for Medical Suppliers is available on the MDCH website.

First Health and MDCH each have unique provider enrollment, prior authorization, and claims processing systems. All First Health pharmacy providers who wish to continue dispensing Medicaid diabetic supplies must also be properly enrolled with the Michigan Department of Community Health as Medicaid Medical Suppliers. Some pharmacies enrolled as Medicaid providers through First Health are also medical suppliers and are enrolled separately as Medicaid Medical Supplier providers through the MDCH already. Enrolled Medical Suppliers request prior authorization for services directly from the MDCH by contacting the MDCH Prior Authorization Division at 1-800-622-0276. A Medical Supplier must use their Medicaid Medical Supplier Provider ID, beneficiary ID, and HCPCS code(s), among other requirements, to obtain prior authorization. A Medicaid Medical Supplier's provider ID would begin with a 2-digit numeric provider-type code (87 for medical suppliers) followed by a 7-digit numeric (location specific) provider ID.

Contact your company/pharmacy's enrollment officer to find out if your office is already enrolled as a MDCH Medicaid Medical Supplier. If your office is not enrolled, contact the MDCH Provider Enrollment Unit at 517-335-5492, ProviderEnrollment@michigan.gov, P.O. Box 30238, Lansing, MI 48909, or find their forms and instructions on the MDCH website at www.michigan.gov/mdch, click on PROVIDERS, then click on INFORMATION FOR MEDICAID PROVIDERS.

You can find the Medical Suppliers Fee Screen by clicking on PROVIDER SPECIFIC INFORMATION and the Medicaid Medical Suppliers Policy is in the MEDICAID PROVIDER MANUAL. The Medicaid Provider Manual includes enrollment policy (General Information for Providers Chapter), billing procedures (Billing and Reimbursement for Professionals Chapter), and service coverage information (Medical Supplier Chapter), among other important Michigan Medicaid provider policies.